

EXPENSES OF ADMINISTERING EXPANSION OF DEFENSE PRODUCTION ACTIVITIES

PURPOSE OF THE PROGRAM

Each year, the Bureau of the Budget (now Office of Management and Budget) established, through an accrued expenditure apportionment procedure, an amount made available to GSA to finance administration of activities performed under the Defense Production ACT (DPA) Revolving Fund. The amount apportioned was available for expenses only during the fiscal year for which it was approved. For budget presentation, these expenses were not included under GSA: data on administrative costs and program financial data were consolidated with DPA activities of other agencies and shown under "Expansion of Defense Production" in the chapter for "Funds Appropriated to the President". This program was terminated in 1974, along with the DPA Revolving Fund, by P.L. 93-426 of September 30, 1974.

AUTHORIZATION OF THE PROGRAM

Defense materials procurement functions were authorized by the Defense Production Act of 1950, as amended; performance by GSA was specifically authorized by Executive Order 10480 of August 14, 1953, which abolished the Defense Materials Procurement Agency and transferred residual functions to GSA.

HISTORY OF THE PROGRAM See previous section on Expansion of Defense Production (DPA Revolving Fund).

DESCRIPTION OF BUDGETARY ACTIVITIES

Budget activities on which apportionment requests, operating budgets, and performance analyses were based follow the organizational pattern of the Defense Materials Service (later, Property Management and Disposal Service). To better reflect operation of the program, they have been regrouped as follows:

1. Inventory Management. Provided for stockpile management and inspection for storage operations under the DPA program. Stockpile management provided for storage space requirements; site preparation; dispersal planning; development and application of approved storage standards, methods and procedures; and coordination of all phases of storage operations as GSA, military, and other facilities. Inspection activities maintained qualitative surveillance of DPA materials for deterioration, packaging, identity markings, and other conditions that might adversely affect long-term maintenance and physical protection.
2. Property Disposal. Administered the program for disposal of excess DPA stockpile materials.
3. Research and Planning. Entailed development of long-range disposal plans for materials no longer required for stockpile objectives, and coordinated plans with affected Federal and industry sources. Also involved collection of data and economic analyses of all factors bearing on stockpiled materials, which was used as the basis for policy decisions on long-range disposal programs, implementation of sales programs, and to ensure that disposals were carried out in accordance with legislative mandate.
4. Machine Tool Program. Matters pertaining to industrial facilities expansion were administered and financed through DPA through 1960. As the program declined, administrative expenses incurred were charged to the S&CM appropriations beginning in 1961, and to the OE, PMDS appropriation from 1968 through 1974.
 - a. Machine Tool Pool Order Program: Stimulated expansion of production through commitments to purchase general machine tools, which the producers could not sell directly to industry.
 - b. Machine Tool Lease Program: Tools were purchased for installation in the plants of machine tool manufacturers, and tools were leased with an option to purchase.

c. Elephant Machine Tool Program: Contracts were let for procurement, installation, and leasing of extremely large, tools, and Government-owned tools were installed in privately-owned plants.

d. Machine Turbine and Reduction Gear Program: Preliminary production work was contracted for under Letters of Intent, pending execution of definitive contracts.

e. M-Day Machine Tool Program: Contracts were prepared for production of machine tools to be "triggered" by the Government in the event of an emergency.

5. Nicaró Nickel Plant. Administrative and general supervision were provided for the Government-owned nickel producing facilities at Nicaro, Cuba. The plant was expropriated by Cuba in October, 1960.
6. Transportation Services. Furnished transportation routes, rates, and classifications; issued shipping instructions and bills of lading; arranged customs clearances; and processed loss and damage claims.
7. Service Direction. Provided planning, administration, and coordination of DPA programs in Central Office and the field, under the general direction of the Commissioner, DMS (later, PMDS).
8. Administrative Operations. Amounts deposited to the Administrative Operations (AO) Fund for administrative and staff support services provided by the integrated GSA staff; (see AO Fund Digest).

OBLIGATIONS BY BUDGETARY ACTIVITIES
(Whole Dollars)

<u>Fiscal</u> <u>Year</u>	<u>Materials</u> <u>Expansion</u>	<u>Storage &</u> <u>Inspection</u>	<u>March</u> <u>Tool</u> <u>Program</u>	<u>Nicaró</u> <u>Nickel</u>	<u>Transpor.</u> <u>Services</u>	<u>Service</u> <u>Direction</u>	<u>Administ.</u> <u>Operations</u>	<u>Total</u>
1954	878,669	312,497	98,454	187,040	--	44,529	1,399,997	2,921,166
1955	631,904	292,432	84,050	59,167	43,866	50,066	1,305,330	2,566,815
1956	543,624	317,340	76,168	128,124	49,386	35,426	1,364,471	2,514,539
1957	451,186	292,736	87,823	155,310	54,701	31,634	1,320,900	2,394,290
1958	380,337	324,609	76,070	136,587	65,298	80,995	1,134,229	2,198,125
1959	286,847	327,223	48,629	187,984	114,666	133,741	1,142,000	2,241,090
1960	202,969	266,193	6,164	135,431	86,909	94,697	1,090,000	1,882,363
1961	303,933	204,618	--	--	94,120	67,690	824,600	1,494,961
-----Operations-----								
	<u>Materials</u>	<u>Storage</u>						
	<u>Managemnt</u>	<u>Managemnt</u>						
1962	271,410	90,155	--	--	67,125	113,504	644,200	1,186,394
1963	186,730	53,653	--	--	65,984	103,483	519,000	928,850
1964	148,993	36,585	--	--	45,100	103,855	427,000	761,533
1965	149,253	45,682	--	--	48,843	126,591	340,000	710,369
	<u>Inventory</u>	<u>Property</u>	<u>Research</u>					
	<u>Managemnt</u>	<u>Disposal</u>	<u>& Planning</u>					

1966	147,670	89,278	80,688	--	34,957	99,424	347,000	799,017
1967	252,052	140,953	180,651	--	37,192	67,737	360,000	1,038,585
1968	Obligation Data by budget activity not available after 1967.....							1,015,130
1969.....								1,060,140
1970.....								1,153,000
1971.....								1,179,000
1972.....								1,024,000
1973.....								777,000
1974.....								813,629

EMPLOYMENT DATA

<u>Fiscal Year</u>	<u>Permanent Positions</u>	<u>Average Employment</u>	<u>Average GS Grade</u>	<u>Average GS Salary</u>
1954	474	393	GS 8.3	\$ 5,825
1955	407	380	GS 8.0	5,797
1956	167	147	GS 8.3	6,380
1957	158	119	GS 7.9	6,196
1958	154	125	GS 8.3	6,313
1959	138	121	GS 8.3	7,076
1960	100	92	GS 8.3	7,030
1961	78	72	GS 8.7	7,844
1962	63	58	GS 8.8	7,958
1963	59	40	GS 8.6	8,283
1964	38	36	GS 9.3	9,524
1965	36	33	GS 9.1	9,646
1966	51	31	GS 9.1	9,218
1967	51	46	GS 9.2	9,914
1968	50	42	GS 9.5	11,043
1969	48	47	GS 9.5	11,695
1970	44	45	GS 9.9	14,143
1971	39	40	GS 9.7	14,394
1972	38	35	GS 9.6	15,140
1973	37	31	GS 10.2	16,609
1974	30	27	GS 10.1	17,883